# RECENT IMPORTANT DECISIONS.

BANKRUPTCY—ACTS OF BANKRUPTCY—PARTNERSHIP PREFERENCES.—A creditor of the firm of Morgan & Williams, a partnership, petitioned to have the firm adjudged an involuntary bankrupt, on the ground that it had conveyed a portion of its property to named creditors, with intent to prefer said creditors. The debts of the firm exceeded the firm assets, but the individual members of the partnership were amply solvent. *Held,* that as the property of the individual members of the firm, after payment of individual creditors, is liable for firm debts, and is in this case sufficient to pay in full all claims, both individual and firm, no creditor would obtain any greater percentage of his claim than any other, and therefore this conveyance was not such a one as to amount to a preference under Section 60 a, or to an act of bankruptcy under Section 3 a, Bankruptcy Act of 1898, *Washington Cotton Co.* v. *Morgan & Williams* (1911) 192 Fed. 310.

There is apparently but one case directly in point, the one relied on in the principal case, *Tumlin* v. *Bryan,* 165 Fed. 166, wherein it is said: "It is true that a partnership may be treated as an entity separate from its individual members, * * * but in a suit to recover a preference, it is not only the insolvency of the intangible entity, but the insolvency of its component parts that lies at the foundation of the right to relief. If the component parts of the firm may be made to pay the firm's debts, the suit lacks reason and substance." See also *Worrell* v. *Whitney,* 179 Fed. 1014. There is, however, no magic in the law regarding preferences, and as to them, the firm and its individual members preserve their separate identities, 2 REMINGTON, § 2265; *In re Lehigh Lumber Co.,* 101 Fed. 216; *In re Sanderlin,* 109 Fed. 857; *In re Redmond,* Fed. CAS. No. 11632; *McNair* v. *McIntyre,* 133 Fed. 113; *Hartman* v. *John Peters & Co.,* 146 Fed. 82; *In re Perlhefter,* 177 Fed. 299; *Catchings* v. *Chatham Nat'l Bank,* 180 Fed. 103; so that the one and only question upon which such cases must turn is the question controlling in so many partnership cases, of how far a partnership for bankruptcy purposes will be held to be an entity, and as such, separate and distinct from its individual members in determining all questions in regard to it, including its insolvency. See 10 MICH. L. REV., 215.

BANKRUPTCY—CONSTITUTIONAL PROTECTION AFFORDED BY THE FOURTH AND FIFTH AMENDMENTS TO THE CONSTITUTION.—Defendant was indicted for obtaining money under false pretenses and pleaded in abatement *inter alia* that in a bankruptcy proceeding in which he was bankrupt, his books, papers and records were taken possession of by his trustee under order of the bankruptcy court, and that without his knowledge or consent these papers were examined and used by the grand jury in finding the present indictment. *Held,* that there was no unreasonable or unlawful seizure of the books and records, possession of them being obtained by an order of the bankruptcy court to deliver them as property, the title to which had passed from the bankrupt to his trustee, and